



Progress under adverse conditions

After a minimally negative first quarter performance (-0,47% q-o-q), the UIRR Quarterly CT Performance indicator entered positive territory for the second quarter of the year - indicating 1,25% compared to the second quarter of the previous year. Nevertheless, the persistent concerns of CT Operators - caused by low freight rates (result of the cheap oil price and stagnating road tolls), higher costs (resulting from stagnant or increasing traction electricity prices and track access charges), exacerbated by stubborn rail quality performance issues - continue to depress the sentiment of stakeholders, resulting in a 'neutral' setting for the UIRR CT Sentiment Index.

The 2015 business year of European CT ended up positively for UIRR Operators in both consignment terms (+0,75%) and in tonne-kilometres (+5,23%). This performance, however, masked the struggles of Rolling Motorway and shorter distance - typically - domestic CT transport chains, which may primarily be attributed to the low prices offered by road hauliers.

When examining the 2015 statistics of land freight transport in Europe - road and rail - an interesting pattern can be detected: not one of the modes reached their pre-crisis peak levels attained in 2008. Quite the opposite, when measured in tonne-kilometres, both stand the same: at 93% (for more see article on pg. 5). If comparing this stagnation with the positive GDP growth achieved over the 7 years that passed since the crisis, it may be observed that the correlation - previously accepted as an axiom - between GDP growth and freight transport demand may be forever broken. This is why the UIRR has been calling on the European Commission to launch a proper study of the long-term freight transport demand.

The past few months have brought about an increased attention turned towards the issues of rail freight, which started with the Sector Statement on 20 May, was followed by the unveiling of the European Court of Auditor' Special Report on rail freight and was 'crowned' by the EU Ministerial Declaration on the need to boost international rail freight on 21 June (see pg. 3 for more). In view of these communications, UIRR has been calling for an easy to execute and follow-up action-plan to deliver on the welcome pledges and intentions.

UIRR's membership has grown by two during the first half of the year. The association welcomes the joining of KTL terminal in Ludwigshafen and SwissTerminal in Frenkendorf. Very importantly, the circle of allied national associations, with whom UIRR has signed a Memorandum of Understanding, has also been expanded by two: MLSZKSZ of Hungary and Groupement Fer of Switzerland. UIRR's strategic objectives can not be fulfilled without effective presence on a Member State level, which must complement the intense activities exerted in Brussels.

Ralf-Charley Schultze - President

**Rail Freight Corridors
Customers' Workshop**

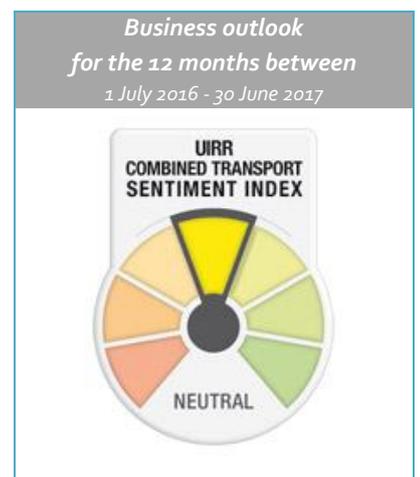
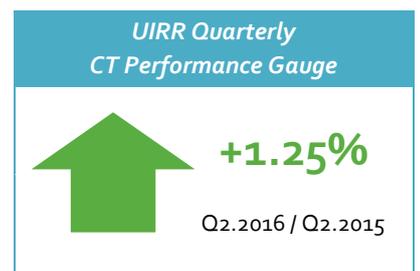
Prague, 29-30 September 2016

**2nd International
Intermodal Conference**

Hamburg, 15-16 September 2016

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UIRR CEO's consultation with Commissioner Bulc

19 May 2016

Transport Commissioner Violeta Bulc accepted the invitation of UIRR to meet and consult the CEOs who drive Combined Transport in Europe. The intense exchange of thoughts lasted over an hour.

The Commissioner began her statement observing that transportation in Europe is still 95% dependent on oil, which is a major obstacle to reaching the climate change objectives of the European Union, and is a topic to be addressed in the soon to be unveiled Decarbonisation of Transport communication of DG MOVE. Electric rail is to play a major role in the Commission's countermeasures.

The road initiatives of 2016 will be formulated in this spirit and the revision of Directive 92/106 will also form an important part of the actions to be taken. Member States are continued to be encouraged by the Commission - even until the adoption of any changes to the Eurovignette Directive - to shift to kilometre-based road tolling.

A full-scale impact assessment and public consultation to prepare the revision of the Directive will be launched later this year. The Commissioner continues to be intrigued by electrification in transport, where rail is the only mode systematically using this propellant today.

Digitalisation issues were also discussed, such as proprietary data versus open data especially concerning train position information (a vital component of tracking and tracing, as well as resource planning at terminals).

Infrastructure investment financing and the priority of freight when deciding different development projects were also mentioned alongside research and development. Both areas involve substantial European Union funding and thematisation, and UIRR CEOs felt that the priorities of rail freight were not taken into account to the extent necessary. Both the Commissioner and UIRR agreed to continue a close cooperation to jointly work towards reaching the common aims.



UIRR General Assembly closes business year 2015

19 May 2016



European Combined Transport and UIRR Operators realised positive results in 2015: a 0.75% increase in consignments was coupled with a substantial

5.23% increase when measured in terms of tonne-kilometres. Longer distance unaccompanied CT turned a strong performance - especially when including intercontinental relations (towards Asia) - delivering a 7.6% growth.

Shorter distance (domestic) CT-chains and Rolling Motorways (RoLa), on the other hand, suffered a contraction of around 5%. The average distance covered by a CT consignment expanded in 2015 to 882 kilometres.

UIRR, the industry association of the European Combined Transport sector, increased its membership by adding 4 Operator and 3 Terminal members over the course of 2015.

The UIRR Report 2015-16, which includes the statistics of the CT sector - may be downloaded from here: <http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2016/mediacentre/780-press-release-european-ct-2015-a-tough-but-positive-year.html>

The European Council Presidency change

July 2016



Infrastructure and Environment Minister of The Netherlands, **Melanie Schultz van Haagen-Maas Gesternaus** handed over the baton to her Slovakian colleague with some major achievements under her belt.



Minister of Transport, Construction and Regional Development of the Slovak Republic **Roman Brecely** has taken over chairing the Transport Council of the European Union as of 1 July 2016.



Reaching a compromise on the Fourth Railway Package's political pillar, and with it closing the entire package, was a major legislative achievement.

Significant energies were moved by the Presidency to raise awareness about the problems of international rail freight, which peaked during the TEN-T Days conference of 21-23 June in Rotterdam and also saw the issuance of a Ministerial Declaration (for more see article below). It was to be interpreted as a counterbalancing of the outspoken Dutch promotion of platooning, megatrucks and other long-distance road transport optimising methods.

The Slovak Presidency Programme can be found here (<http://www.consilium.europa.eu/en/council-eu/pdf/presidency-programme-eng-3-korektura.pdf>) which mentions the issues of overland freight transport surprisingly briefly (see p.27) - especially if considering that Slovakia is a landlocked country. In fact there is nothing said about road transport and only this one sentence about rail: "In rail transport, the Slovak Presidency will approve the EU's position by means of a Council decision on the preparation of a new Convention of the Organisation for Cooperation between Railways."

Highest level awareness of the issues of rail freight

21 June 2016



In light of the prolonged stagnation of rail freight, which has failed until now to show the kind of growth needed to deliver on the European Union's modal shift aims (needed to effectively combat climate change), the Dutch Council Presidency initiated the development of a Rail Sector Statement and in parallel with it a Declaration of Transport Ministers to direct the attention to the need to boost cross-border rail freight.

Accordingly, operational, regulatory and investment policy changes would be needed to enable European rail freight to deliver on the expectations of society:

- **The sector** should organise itself more efficiently, simplify operational procedures, transparently publish traffic management rules and create transparency toward their implementation, as well as allocate better quality and higher quantity of train paths to freight trains - as permitted and supported by their public sector owners, the Member States.
- **Rail regulators** should simplify and harmonise (national) rules, while enforce the existing law.
- **Infrastructure investments** should adhere more closely to the needs of rail freight.

<http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2016/mediacentre/792-ministerial-declaration-and-sector-statement-concerning-international-rail-freight.html>

UIRR, also as a party to the Sector Statement of 20 May, saw the additional need for

- the creation of a **level regulatory playing field** to enable fair competition - based on technical merit and management excellence - between the various competing modes of transport; this should primarily extend to distance-based electronic road tolling and the harmonised internalisation of transport externalities;
- the adjustment of the Member State-level regulatory environment to **open rail infrastructure investments to private capital funding**, enabling the creation of bankable rail infrastructure projects and the possibility to securitize private investments into rail infrastructure; and
- the definition of **European-level train path categories and transparent traffic priority rules** so as to enable the allocation of rail infrastructure capacity on a greatest social benefit basis, and not simply "political preference".

UIRR issued a position paper to detail these requirements, which must be met in order for rail freight - an indispensable component of intermodality and Combined Transport in particular - to deliver the results expected of it by society and the wellbeing of our planet: <http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2016/mediacentre/797-press-release-rail-freight-in-the-spotlight.html>

Special Report on Rail Freight

24 May 2016



Ladislav Balko, reporting member of the European Court of Auditors (Slovakia) presented the ECA Special Report titled "Rail freight transport in the EU: still not on the right track" on 24 May in Brussels. The Report examined EU policy over the 2007-13 budget period

from a rail freight perspective, focusing on the achievement of policy aims in rail freight.

The overall finding was that rail freight transport in the European Union remains unsatisfactory, best highlighted by the further growth of the road transport sector in the meanwhile.

In spite of considerable legislative actions taken, and the EU funding provided, the performance of rail freight does not match market expectations in both terms of volume and quality.



Eight recommendations were formulated by ECA, none of them were disputed by the European Commission, in order to improve the situation:

1. **Rail freight market liberalisation** must be made to work by Member States
2. **Traffic management procedures** should be adopted, including the number and quality of freight train paths
3. **Administrative and technical constraints** should be reduced by Member States collaborating with EUAR
4. **Monitoring and transparency of the rail freight sector** should be enabled by Member States
5. **Fair competition between different modes of transport** should be allowed through a level regulatory playing field
6. **Consistency of policy objectives and fund allocation** must be enhanced in infrastructure development and R&D
7. **Selection, planning and management of projects** should take rail freight needs into account
8. **Rail network maintenance** should be carried out with care for rail freight's technical and operational requirements

Link: <http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=36398>

EU Commission REFIT Report on Directive 92/106

20 April 2016



European Commission

The long awaited Regulatory Fitness Report of the European Commission concerning the Combined Transport Directive, 92/106, has finally been published.

- Executive summary: <http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=17170414>
- Full REFIT Report: <http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=17165337>

The Report has confirmed that

- "the Directive continues to have a noticeable impact on the choice of Combined Transport."
- "the industry overwhelmingly indicated in the public consultation that similar results in the Combined Transport sector could not have been achieved with less burdensome measures." And "public administrators also agreed that the results could not have been achieved at lower cost."
- "...due to problems identified under effectiveness and efficiency (of the Directive), the Combined Transport Directive does not currently realise its full potential added value at EU level", which refers to: "problems reported by the industry that relate mainly to the inconsistent transposition or implementation of the Directive".

The conclusion was that the "Combined Transport Directive continues to be relevant for the purpose, however there are considerable shortcomings in its effectiveness and efficiency" - all pointing to the need to revise the Directive, as called for by UIRR for many years.

The 6% average year-on-year growth realised by Road-Rail Combined Transport between 1990 and 2008 is a clear testament to how a legal framework agreed and adopted at European Union level can aid the functioning of an economic activity highly beneficial to society. Without this the divergent 28 national regulations will result in a heterogeneity producing losses in productivity and ultimately development. This is especially true since Combined Transport is typically carried out over long(er) distances, crossing Member State borders in 84% of the cases (2015 data); therefore uniform conditions are indispensable.

The COP21 agreement reached in December 2015 made it clear that global warming - caused by the extensive emission of greenhouse-gases - is the biggest challenge of humanity, threatening the entire planet. Transportation is hugely dependent on fossil fuels, which makes it a prime culprit to the problem. Intermodality, and Combined Transport in particular, specialises in the insertion of energy efficient modes of transport, which - as in the case of electric rail - may be powered by renewable sources of energy rather than oil.

UIRR enthusiastically welcomed the Report and has **called for an "intermodal initiative" to be launched by the European Commission** so as not to lose any more time (considering that the amendment has been on the table since 2013 already) in its reactive position paper:

<http://www.uirr.com/en/component/downloads/downloads/1161.html>

Permanently changing freight transport trends?

5 July 2016



Figure 7. National and international road freight transported (million tonne-km, seasonally adjusted Q3/2008=100)

European Union

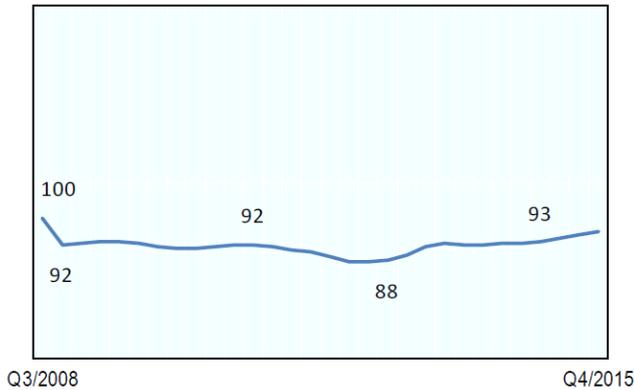
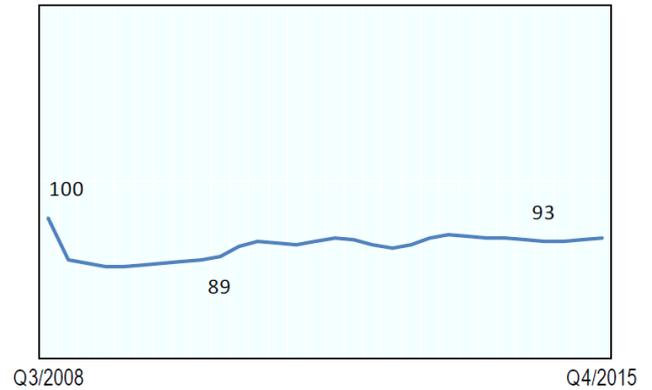


Figure 8. National and international rail freight transported, percentage change from 2008Q3 (tonne-km, quarterly trend, seasonally adjusted Q3/2008=100)

European Union



When comparing the stagnation reflected in the above two graphs with the red trendline of GDP growth (to the right) it is clear that the multiple decade-long **direct correlation between GDP growth and demand for freight transport has been broken.**

Participants of the (overland) freight transport market are vying for market share in a stagnating marketplace, where even small differences within the (regulatory) framework conditions may tip the balance. Subsequently, sensitivities have grown and competition is based on an even narrower band of price for quality.

This is the setting in which the European Union and its Member States must find the right transport policy mix with which to address the simultaneous challenge of maintaining the competitiveness of the European economy and countering the adverse effects of climate change.

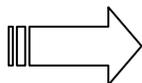


Source: <http://www.itf-oecd.org/sites/default/files/docs/air-freight-decrease-statistics-brief-july-2016.pdf>.

UIRR is calling on the European Commission to launch a study that looks into the new patterns in freight transport demand.

Changes after the adoption of the Fourth Railway Package

11 May 2016



With the coming into force of the technical pillar of the Fourth Railway Package the European Railway Agency (ERA) has changed its name (and logo) to European Union Agency for Railways (EUAR) to reflect the changes contained in Regulation 2016/796.

A new strategic vision paper has been unveiled on the occasion, identifying the following targets:

- 1) **Safety:** Europe becoming the world leader in railway safety
- 2) **Competitiveness:** promoting rail transport to enhance its market share

- 3) **Simplification:** improving the efficiency and coherence of the railway legal framework
- 4) **Efficiency:** optimising EUAR capabilities
- 5) **Objectivity:** Transparency, monitoring and evaluation
- 6) **Environment and Society:** improve economic efficiency and societal benefits in railways
- 7) **Global Reference:** fostering EUAR reputation in the world

In the long run, but before 2030, the Agency has the following vision: "Multi-modal integrated transport is common, enabled by a digital agenda, with EUAR evolving to a European Land Transport Authority."

Source: http://www.era.europa.eu/Document-Register/Documents/Strategic_Vision_for_the_European_Railway_Agency.pdf

ILU-Code: 5-year anniversary

1 July 2016

5 years ago on 1 July 2011, UIRR, the Administrator of the ILU-Code (www.ilu-code.eu), issued the first ILU-Code owner-key - thus bringing to life the standardised identifier of European intermodal loading units (ILU: container, swap body, semi-trailer) identical to the global BIC-Code mandatory for maritime containers. According to the latest reports, the two identifiers together were used to book nearly 98% of the consignments forwarded by unaccompanied Combined Transport in Europe.

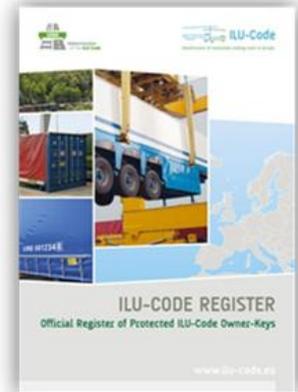
The new European Customs Code, that came into effect on 14 May 2016, mandates that every loading unit entering or leaving the EU via unaccompanied Combined Transport shall be identifiable by a BIC - or an ILU- Code.

UIRR advocates - in collaboration with its stakeholder allies - that the same obligation is defined during the revision of Directive 92/106 for unaccompanied intermodal transport that takes place within the EU's borders. Finally, the TAF TSI Regulation also defines the BIC- and ILU-Code as the unique identification parameter for intermodal loading units.

www.ilu-code.eu

UIRR offers an ILU-Code owner key register to users. Furthermore, a Loading Unit Register is currently being devised, which will help determine the gross weight of a consignment, vital for train loading design and to determine the legality of truck loading as well.

An electronic ILU-Code control programme is also available which can be directly integrated into CT Operators' booking systems and terminal operating systems to ensure the validity of the codes as well as to directly link with the Register.



Click for more information:

<http://www.uirr.com/en/mediacentre/press-releases-and-position-papers/2016/mediacentre/794-ilu-code-boosting-the-competitiveness-of-ct-since-5-years.html>

Millions worth of advantage to be had with CT

3 June 2016

UIRR's MoU ally, the Association of Hungarian Logistics Service Centres (MLSZKSZ), has been preparing an annual report concerning the potential of Combined Transport and intermodality in Hungary. The report issued this year was the fifth such paper: <http://mlszksz.hu/tobb-tizmilliardo-nemzetgazdasagi-elonnyel-jar-az-intermodalis-fuvarozas-fejlesztese/#more-13377>

Whereas intermodal transport has show a steady increase in Hungary since 2012, the 2016 Report points out that the introduction of distance-based road tolling (the HU-GO system) was insufficient in itself to change the modal balance - which remains biased towards road haulage.

According to the analysis in case only 10% of the transiting semi-trailers could be shifted from road to trains - equalling about 100.000 units - the savings achieved in road maintenance fees could exceed €30 million (at the expense of only €3 million worth of road tolls). The resulting 1800 trains - on the other hand - would generate at least €3 million worth of revenues at the (state-owned) MÁV Holding in the form of track access charges and traction revenues.

The already existing, elaborate network of cross-border Combined Transport train services (originating from Budapest) could be used in the beginning, which could conveniently be used to reach every major point by trucks performing the positioning legs.



MLSZKSZ Chairman, Zsolt Fülöp remarked that the transport policy mix needed to deliver on this proposal would not require significant budget resources, rather just a clever combination of measures. This could produce a meaningful modal-shift and create the impetus for further progress towards a balanced transport system in Hungary.



New Member: Kombi-Terminal Ludwigshafen

1 July 2016

Founded in 1999, KTL Kombi-Terminal Ludwigshafen GmbH operates a logistics platform on a lease agreement with BASF SE offering following services:

- handling and interim storage
- (first/last mile) trucking
- container storage (dangerous goods specialisation)
- agency services for organising transports
- maintenance and repair of loading units

The present day KTL Terminal was developed in three phases, and presently offers a maximum capacity of about 500.000 units. In 2015 the turnover of KTL amounted to nearly 400.000 in- and outbound consignments.



New Member: SwissTerminal

1 July 2016

The main business of SwissTerminal (ST) is the handling and storage of empty and loaded containers. Besides the actual handling and depot this can also comprise the organisation of transportation, the securing of cold chains, an inspection or expert opinion ordered by shipping companies and certified experts. Furthermore, SwissTerminal is certified according to the ISO 9001:2008 Standard. Therewith ST serves as an important interface between all of the involved parties and ensures a smooth course of transportations. Furthermore, in the ST workshop maintenance and repair of all types of containers, including reefer and tank containers, are performed. The rental and sale of containers are also part of ST's offer.

Combine.
Move.

swissterminal 



New MoU Ally: MLSZKSZ

11 May 2016

The Association of Hungarian Logistics Service Centres (MLSZKSZ) has been one of the most significant associations of logistics and transport since 2002, connecting almost 90% of the Hungarian logistics service centres. As opposed to other organisations which only deal with certain segments of logistics, MLSZKSZ is the only association that represents all aspects of the service chain.



MLSZKSZ was created in order to accomplish an efficient cooperation of Hungarian logistics service centres to function as a professional advocacy organisation enabling not only the information flow necessary to stimulate business activities and economic development of logistics service centre enterprises, but also to promote the use of combined transport systems. Website: <http://mlszksz.hu/>

New MoU Ally: Groupement Fer

6 July 2016

Groupement Fer (GF) brings together Swiss freight forwarding and logistics companies with the common goal to handle the transport of goods between the North Sea and Mediterranean ports and Switzerland, as much as possible, by using the environmentally friendly railway mode.



GF represents the interests of its operators and railway members through, for instance, the bundling of volumes, which enables regular departures at competitive conditions. The GF Board is also engaged in advocacy towards other stakeholders and the government in order to ensure a smooth and reliable rail transport. Website: <http://www.groupement-fer.ch/>

Recent Appointments and Personnel News

CFL INTERMODAL

1 May 2016



Mr Claude WENGER was appointed CEO of CFL intermodal, a subsidiary of CFL multimodal. Previously, Mr Wenger held several management positions involved with logistics and supply chain management at ArcelorMittal.

Mr Wenger holds a Master's degree in Logistics and Quality Management from the University of Metz (France), a Bachelor of Science degree in Mechanical Engineering from the University of Luxembourg, and he is a Chartered Welding Engineer.

Members' News

ADRIA KOMBI

April 2016

New trilingual company website

Click: <http://www.adriakombi.si/?lang=en>

AMBROGIO TRASPORTI

12 May 2016

Haulier of the Year 2015 - from Sabic

Click: http://www.ambrogio.it/news.php?lingua=it&id_news=16

HUPAC

12 May 2016

New 2016-2020 growth strategy: CHF 280 million in investments for growth

Click: http://www.hupac.ch/index.php?MasterId=g1_508&altlng=2&id_item=508&lng=3&node=345&rif=1d5b50c192

HUPAC

26 May 2016

Gateway Basel Nord project launched

Click: http://www.hupac.ch/index.php?MasterId=g1_511&altlng=2&id_item=511&lng=3&node=345&rif=c6163b80e3

JOHN G RUSSELL

19 April 2016

New company website

Click: <http://www.johngrussell.co.uk/news/welcome-to-our-new-website/>

RALPIN

23 May 2016

Freiburg Terminal investment - Phase I - completed

Click: <http://www.ralpin.ch/appl/file.php?id=884>

RCT BILK TERMINAL

1 July 2016

Weighing service and VGM Certificate issuance begins

Click: http://railcargobilk.hu/index.php?option=com_content&view=category&layout=blog&id=84&Itemid=180&lang=en

Key Dates & Events

19-20 July, Valenciennes	ERA Workshop on Vehicle Authorisation
15-16 September, Hamburg	BME/VDV Intermodalkongress
20-23 September, Berlin	InnoTrans 2016
29-30 September, Prague	Rail Freight Corridors: Customers' Workshop
29 October, Brussels	Alliance for European Logistics Conference
19 October, Paris	GNTC General Assembly
27 October, Brussels	DG MOVE - RU Dialogue Plenary Meeting
10 November, Brussels	FERRMED Conference
10 November, Berlin	SGKV Terminaltag
15-17 November, Rotterdam	Intermodal Europe 2016
15 November, Brussels	European Logistics Forum Conference
8 December, Brussels	FEPOR Annual Stakeholders' Conference
9 December, Vienna	DG MOVE Rail Freight Day Conference



**INTERNATIONAL UNION
FOR ROAD-RAIL
COMBINED TRANSPORT**

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